

DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
INFORMATION REQUESTS OF THE
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY
D.T.E. 02-52

Date: November 1, 2002

Witness Responsible: Francisco C. DaFonte

D.T.E. 1-5 Please discuss how the Company evaluated the need to renew the Canadian contract as a part of the Company's resource portfolio. Specifically, provide a Table with the following information and for time period Feb. 2003 through April, 2005:

- (a) forecast of firm sales customers,
- (b) forecast of firm sales,
- (c) forecast of firm transportation customers,
- (d) forecast of firm transportation sales,
- (e) forecast of reverse migration (number of firm transportation customers coming back to firm sales service),
- (f) forecast of reverse migration (sales).

Response: The Company first determined its needs for the twenty-six month period based on the most recent sales forecast including non-grandfathered firm transportation customers, for which the Company is obligated to plan. Next, the Company identified all viable supply and capacity options available to it in the market place including existing resources that were due to expire during the planning period. The Company then utilized its SENDOUT ® optimization model to perform a resource mix analysis on these available resources to determine the volume, if any, required to serve the anticipated demand in a least-cost fashion. As demonstrated on page 13 of Exhibit FCD-16, the SENDOUT ® model chose 100% of the available EnCana volume.

The table below provides the information requested for the time period February 2003 through April 2005.

	February 2003 – April 2005
Sales Customers	281,282
Transportation Customers	6,094
Sales Sendout (Dth)	83,069,999
Transportation Sendout - Grandfathered (Dth)	58,333,192
Transportation Sendout - Non-Grandfathered (Dth)	13,045,225

Transportation customers reflect both grandfathered and non-grandfathered transportation. Transportation sendout reflects grandfathered customers only, while non-grandfathered sendout is included with the Sales Sendout. Bay State has no explicit forecasts of reverse migration for grandfathered or non-grandfathered customers. However, since the Company's experience of reverse migration has been virtually flat since November 2000 (at approximately 18,000 customers), reverse migration has not contributed to any sales growth in the forecast period.